

OFFICE OF SOIL AND WATER CONSERVATION
STATE SOIL AND WATER CONSERVATION COMMISSION

AUGUST 12, 2009
10:00 A.M.

CROWN PLAZA HOTEL
CHAIRMAN'S LIBRARY
4728 CONSTITUTION AVENUE
BATON ROUGE, LA

PROCEEDINGS/MINUTES

CALL TO ORDER

The regular monthly Commission meeting was called to order by Chairman Guillory at 10:00 A.M.

ROLL CALL

The roll was called by Joey Breaux.

Members present: Chairman George Guillory, Ernest Girouard, Ed Yerger, Garland Colvin, and John Compton

Members absent: Randell Fletcher

A quorum was present.

Others present: Kevin Norton, NRCS; Bobby Fletcher, LSU; Brad Spicer, LDAF; Joey Breaux, LDAF; Michael Schooler, LDAF; and Bruce Frazier, LACD Vice President

APPROVAL OF THE MINUTES

Chairman Guillory called for a motion to approve the minutes of the July 29, 2009 State Commission meeting.

Motion: Mr. Colvin made a motion to approve the minutes from the July 29, 2009 Commission meeting. The motion was seconded by Mr. Compton and passed unanimously.

UNFINISHED BUSINESS

Chairman Guillory said they would next take up Unfinished Business and requested Mr. Spicer to report on the items listed on the agenda.

SWCD Farm Bill Implementation Report

Mr. Spicer said the districts Farm Bill invoices for March, April, May and June have been paid. He said that there should not be any delays in paying Farm Bill invoices now that LDAF has received funding for the new fiscal year. Mr. Spicer said that all districts are on target with earning their Farm Bill funds.

District Audits

Mr. Spicer said the next item on the agenda is FY 2008-2009 and FY 2009-2010 audits. He said at the last meeting the Commission directed him to contact the districts with operating budgets of less than \$50,000 to let them know that Mr. Bennie Tate would complete all required financial documents and sworn financial statements districts must submit to the Legislative Auditor's Office. He said the sworn statements have to be in the Legislative Auditor's Office before the end of September and therefore, they have to be in the OSWC by September 15, 2009. He said there are fourteen districts with operating budgets of less than \$50,000 and that

most of them have already agreed to use Mr. Tate to prepare their financial documents at a cost of \$1000 per district. Chairman Guillory said that the Commission also asked Mr. Compton and Mr. Spicer to work with Mr. Tate on developing a proposal for the rest of the districts.

Mr. Compton said that he and Mr. Spicer met with Mr. Tate and that Mr. Tate later submitted a proposal for the districts' consideration. Mr. Spicer said that the proposal provides for the districts to receive year round assistance with their financial records and in preparation of their annual budget and budget revisions.

Chairman Guillory said that Mr. Tate would assist the districts throughout the year for an annual fee of \$54,000 prorated with the 44 districts. He said this annual fee includes all travel costs, phone and computer costs and other associated costs that individual districts costs for Mr. Tate's services would range from \$1,000 to \$1,600. He said that if the Commission agreed he would request a motion to authorize individual district to enter into an agreement with Mr. Tate to provide assistance in managing their financial and accounting work. Chairman Guillory said that they also need to authorize districts to use the services of Mr. Ed Krielow's CPA firm to do the audit review for districts at the same rate of \$400 per district that he charged last year.

Motion: Mr. Compton made a motion to authorize districts to use the services of Mr. Bennie Tate to compile and complete district journals and records and the financial statements that are required by the legislative auditor's office, complete a review of the district records and financial reports as needed, assist the district upon request in preparing the yearly budget, be available throughout the year, as scheduling allows, to provide other financial and accounting assistance to the district and, the agreement between Mr. Tate and the district shall renew automatically on the anniversary date, July 1 each year, unless terminated. Either party may terminate the Agreement by giving thirty (30) days' written notice to the other party prior to the Agreement anniversary date. Mr. Compton stated that Mr. Tate's fee will not exceed \$1,600 per district and that Mr. Krielow's fee will be \$400 per district. The motion was seconded by Mr. Colvin and passed unanimously.

NACD Regional Meeting – August 12-14, 2009

Chairman Guillory asked Mr. Spicer and Dr. Girouard for their comments on the NACD Regional meeting being held in Baton Rouge starting this afternoon. Mr. Spicer said they have a great panel of speakers to discuss climate change, alternative fuels, wood pellets for energy and carbon sequestration. He said that Thursday afternoon they will tour the Port of Greater Baton Rouge and the LSU Sugarcane Research Station at St. Gabriel.

Dr. Girouard said that the program is designed to help broaden the knowledge of district supervisors in the areas of climate change, energy alternatives and carbon issues. He said that it is their intent to increase districts' capacity to address issues such as carbon sequestration at the local levels.

FY 2009-2010 BUDGET

Mr. Spicer said it appears that the official appropriation for the Office of Soil and Water and the State Commission is \$2,276,000. He said this is approximately a 3.5% cut from the FY 2008-2009 budget and a total reduction in State General funds of nearly 12% from FY 2007-2008. He said that district funds will be reduced by \$63,000 or about 3.3%. Mr. Spicer said the legislature cut the OSWC was less than any of the other divisions in LDAF. Chairman Guillory asked Mr. Spicer when the districts should receive their July and August allocations and Mr. Spicer said that he has to meet with Deputy Commissioner Dr. Robbins to review his operating budget before preparing the districts' allocations. He said he should be able to send the districts their July and August allocation within the next two weeks.

Dr. Fletcher said that the LSU AgCenter has also sustained significant budget cuts. He said the AgCenter has a hiring freeze except for very critical vacant positions. He said as with LDAF, the

AgCenter is offering an early retirement package. Dr. Fletcher said the number of employees will likely exceed fifty. He said they will not be able to fill the vacancies created through early retirement and that it looks like the next fiscal year may present even greater challenges than they are currently addressing.

NEW BUSINESS

NRCS State Conservationist Report

Chairman Guillory asked Mr. Norton for the NRCS Report. Mr. Norton said that the NRCS is currently working on year-end obligations, and the funding outlook stands about the same as at the time of the previous State Commission meeting. He said a final program update will be published in September to illustrate total program dollars and accomplishments in the state. Mr. Norton said the Ag Appropriations process is ongoing, with the House having passed the appropriations bill a couple of months ago and the Senate having done so just prior to recess. He said they both show an overall increase to conservation, with inflationary adjustments, but there are some differences between the two, so the bill will have to be conferenced. He said this would ideally be taking place during the recess so that the conference report may be voted on in the House and the Senate when they reconvene. He said that the budget is expected to be received shortly after the beginning of the new fiscal year, which is an improvement over going through half the year under a continuing resolution, which was the case this past fiscal year.

Mr. Norton said that the initial sign-up for the new Conservation Stewardship Program (CSP) began Monday, August 10, 2009 and will continue through September 30, 2009. He said every effort will be made through the field offices to get this word out locally, and that he has interviewed with Don Molino of Louisiana Network regarding the new CSP and plans to do the same with Farm Bureau. He said that producers must complete an application for eligibility determination. He said the application and enrollment must be completed by the operator, but the landowner can receive a portion of the payment. He said the focus of CSP is to reward ongoing or existing stewardship with components to include payment increases for enhancements made during the contract period. He said there would also be additional payment opportunities for row crop producers who include resource conserving crops into their rotations for the purpose of improving soil health. Mr. Norton said that actual payment caps have not yet been established, but according to program statutes, the average cost per acre, including financial and technical assistance, cannot exceed \$18.00 per acre. He said the conservation measurement tool that will be used to record each participant's conservation work and to determine individual payments will not be made available until mid September. He said they are currently taking care of the preliminary steps of application, land identification and inventory measurements until this measurement tool becomes available, and then the maximum payments will be known. Mr. Norton said all agriculture or forest land is eligible, with no more than 10% of accepted acres being non-industrial private forest land. He said the program ceiling is 12.7 million acres, so up to 1.27 million acres of non-industrial private forest land can potentially be taken in. He said each state has yet to receive its acreage allocation. He said that Louisiana will have six separate funding pools developed for the different row crop, range and pasture land regions of the state so that similar ag operations will be pooled together without competition between different crops or regions. He said the non-industrial forestland funding pools will consist of four separate regions in the state to avoid program competition between primary forestland and timber producing areas. Mr. Norton said this CSP will be nothing like the previous Conservation Security Program; the Conservation Stewardship Program is a new, completely redesigned program with new opportunities, and unique implementation challenges inherent to any new program.

Mr. Norton was asked if all EQIP funds had been allocated. He said that all the state's available EQIP funds were allocated, but he has been actively trying to get additional EQIP funds into the state and has met with some success, but he does not expect to receive the additional \$12 million EQIP dollars requested, as the fiscal year end is nearing and the national office is only

now sweeping other state EQIP accounts. He said that additionally, the FSA software required to complete the payment process is still unavailable, but that agency is expecting to have it online this week or next.

Mr. Norton said that the new NRCS Chief, Mr. David White, has stated some key messages which include reinvigorating the conservation partnership by reconnecting at the local level through the local work groups. Mr. Norton said that Dr. Girouard, LACD President, has been a vocal proponent at NACD meetings of conservation partnership effectiveness at the local level, and used good examples from our state. Mr. Norton said that it is important that our partnership continue working together to further strengthen the locally led conservation process in LA.

Dr. Girouard said that he has become aware that the land operator designation or assignment in various FSA field offices has not been consistent, such as landowners incorrectly listed as operators, and this may cause future problems with CSP payments and should be looked into. He also asked if the \$18.00 per acre limit for CSP could be exceeded through payments for additional enhancements. Mr. Norton said that he envisions a payment system where some cropland per acre payments may exceed \$18.00, as long as the average for all acres enrolled in the program nationally is \$18.00/acre. He said it is likely that the per acre payment average for forest land will be less than for cropland. He said that the expected maximum annual payment will be \$40,000 and the expected maximum total payment for the life of the five-year contract cannot exceed \$200,000.

Correspondence

Chairman Guillory asked Mr. Spicer to review the several items under Correspondence.

Mr. Spicer said the only item is Commissioner Strain's news release regarding the opening of a new sweet potato plant in Delhi, in Richland Parish. He said the new ConAgra Foods Lamb Weston sweet potato processing plant will open in November 2010 and will likely cause a significant increase in sweet potato production in the state.

Mr. Spicer asked if there were any questions and if not, that concluded correspondence.

LDAF/NRCS/SWCC WORKING AGREEMENT

Chairman Guillory asked Mr. Spicer report on the LDAF/NRCS/SWCD Working Agreement. Mr. Spicer said that the agreement is very similar to the NRCS/SWCC Working Agreement. He said the agreement that officially authorizes both district and NRCS employees to use LDAF equipment in the performance of their conservation duties. He said the Gulf Coast SWCD will be the first district to sign the agreement. Mr. Spicer said other districts will sign the agreement as the need arises.

Supervisor Resignations/Appointments and Reappointments

Chairman Guillory asked Mr. Spicer to report on the supervisor resignations and appointments.

Mr. Spicer said there were no supervisor resignations or appointments to report this month.

OTHER BUSINESS

Chairman Guillory asked if there was any other business to come before the Commission. Mr. Spicer said that the OSWC has a new employee as of last week. He said her name is Mrs. Lisa McGraw and she will be working with the SWCDs on payroll and will assist districts in other areas as well.

Chairman Guillory asked if there was any other business to come before the Commission and there was none.

NEXT MEETING

Chairman Guillory said the next Commission Meeting is scheduled for 1:15 PM on Tuesday, September 22, in the Veterans Auditorium of LDAF, 5825 Florida Boulevard, Baton Rouge, Louisiana.

PUBLIC COMMENTS

Chairman Guillory asked if there was any other business or comments. None replied.

ADJOURNMENT

Chairman Guillory said if there was no other business that he will accept a motion to adjourn.

Motion: Mr. Colvin made a motion to adjourn at 11:30 A.M. The motion was seconded by Mr. Compton and passed unanimously.

/s/ George Guillory _____
George Guillory, Chairman